

## TALENT MANAGEMENT IS AS CRITICAL AS CAPITAL INVESTMENT

VIPUL SAXENA<sup>1</sup> & RK SRIVASTAVA<sup>2</sup>

<sup>1</sup>President & CPO- ABG Group, Mumbai, Maharashtra, India

<sup>2</sup>Professor & HOD-Sydenham Management Institute, Mumbai, Maharashtra, India

### ABSTRACT

*Talent management is a key HR function consisting of Planning, hiring, developing, and retaining the talent in any organization to ensure that the required talent pool is available to sustain the existing business, grow the business, strategic business decisions e.g Joint ventures, merger & acquisitions, setting new SBU.*

*In pre-1950 Era, organizations used to consider and treat talent as “worker/servant” and work culture was restricted to obey the order given by the promoter/manager. With the industrial globalization and consumerism becoming the reality of business scenario, same worker/servant transformed into talent and been accepted as the key role player in business form & performance at any stage of business.*

*In the present day organizations have full-fledged and well geared up HR department which is tasked with Talent management. Talent management is one of the key KRA of HR teams in the organisations. HR teams are tasked with hiring goals with strict timelines and also keeping attrition within control limits.*

*Purpose: Purpose of this study is to understand the journey of the evolution of Talent management from a basic “Worker/Servant” status to “Talent” and its importance in the organization.*

**KEYWORDS:** Talent Management, Employee Engagement, Employee Satisfaction, Employee Motivation, Job Satisfaction, Organizational Performance

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### INTRODUCTION

As global market becoming cut-throat competitive the Industry has realized the importance of acquiring and retaining talent best suited for its business goals. In the recent decades, Industry has started including Manpower factors in all its strategic capital investment decisions such as JV venture, Mergers & Acquisitions and setting up new SBU.

The Industry has escalated their HR department more aggressively geared up for understanding & undertaking Manpower due diligence and acquisition and retention to meet newer business challenges. In order to undertake such tasks HR departments are led by strong & seasoned HR leader with astute strategic bent of mind, and HR departments have exclusive Talent Management team. These Talent management teams have their goals aligned with capital investment goals.

The Talent management teams are given hiring targets and retention targets to ensure that any given time organisation is manned by desired skilled manpower to meet the organisational challenges and goals.

The HR leaders have their eyes on Talent need targets as critical goals for their teams. In meeting such

targets the HR leaders regularly interact with business leaders and top management to cast their Talent planning & strategies aligned with the business goals. Such exercise is undertaken and concluded by Oct-Dec of each year keeping enough open room to re-align with the changing needs of business goals due to various variable factors turning unfavorable/hostile.

## LITERATURE REVIEW

**Frynas, Millahi & Pigman.,(2006); Karim,( 2006); Barsade& Donald, (2007)** suggested that Business ventures and organizations should evolve their own pool of talent as per their growing needs to match demanding global business environment.

**Arporn (2008)** opined organizations must grow their human capital stock as per the global needs, in terms of improving their performance and working style.

**Schon& Ian, (2009)** stated in their publication “The global war for talent” that global changes in the market scenario has induced demand and competition in acquiring & retaining talent globally and advised talent management as the challenging goal of organizational development.

**Richard et. al. (2011)** alerted the organizations about immediate need of talent management challenges and need of strong and robust Human Resource for the success of an organization.

**(Inkson, 2008& Rousseau, 2001)** referred a shift in the power relationship between employers and employees and that gradually, organizations are accepting consumerism as a key reason for talent management a new business challenge.

**(Huang &Tansley, 2012)** stated that the majority of publications on talent management do not offer a formal definition of the central concept.

**(Lewis & Heckman, 2006)**not many organizations have a talent management system in place.

**Iles, Preece, & Chuai, 2010; Tansley, 2011)** unanimously summed up that talent management add value over all the HRM strategies & practices.

**Ashton & Morton (2009)** Talent management includes managing demand & supply and continuous flow of talent in an organization.

### Need for Talent Management: Strategic Perspectives

Though from the very first step, every business venture needs talent management to achieve financial goals & growth t as at the inception stage, most start-ups management have other business challenges as their priorities than manpower management without realizing it one of the key needs for the business success.

However, growing organizations do understand this need and include Talent management as one of their key strategic goals for success & growth.

Following are key strategic perspective for talent management:

**Process Orientation**

Most Organizations have well realized that days of the person driven organisation are over, now the market is so competitive that need every business activity to be undertaken by an employee with specific competencies for the role. All the business processes strictly demand suitably qualified talent armed with required behavioral competency for the role.

**Cultural Need**

This perspective suggests that every organization has its work culture customized to the management style and market challenges. Hence, most organizations in addition to technical skills and behavioral competency also look for attitude as the team member and team leader.

**Competitive Edge**

In the fierce competitive market, one of the key challenges faced by the Organizations is a continuous flow of talent pool to meet the growth plan and also market needs. Hence, organizations through its Talent management group hire develop and retain sufficient talent for current, future and contingent competitive needs of the market.

**Human Resource Planning Perspective**

Most organizations over the period have realized the importance of manpower planning for twofold objective; 1. To have sufficient talent availability at all times; 2. To have the right person for the right job with the right attitude. This process ensures a continuous supply of desired human resource.

**Change Management Need Perspective**

As organization grows, at every new level it attains unless there is a continuous process of developing the existing manpower or inducting fresh talent in the system, a big lot of existing manpower becomes redundant due to pace gap.

Hence, to meet the newer challenges organization goes through “Change management process” which need lateral induction of new leaders and also developing potential employees as leaders.

**Drivers for Talent Management**

Based on various perspective discussed above following factors are identified as Drivers for Talent Management:

- Attracting new Talent
- Hiring Talent
- Apt Deployment of existing & new Talent
- Developing existing & new Talent
- Re-appropriation of existing talent
- Rationalisation of Talent pool
- Motivating Talent pool: Job satisfaction, Appropriate Compensation & benefits
- Engaging Talent pool
- Managing redundant Talent

- Maintaining controlled & healthy attrition
- Retaining desired Talent
- Succession planning

### **Employee Engagement a Key to Talent Management**

Roller – coaster journey of global Industrial development saw changing scenario of management perspective and accordingly change in Management strategy which began from Customer Satisfaction as key to Business success where only “Quality” of product/service as Customer satisfaction to Customer satisfaction in terms of quality, post-sale services, value-added services and lastly as Customer delight.

Later management perspectives found newer shape transiting from Customer Satisfaction to Employee Engagement where in Employee satisfaction in terms of job satisfaction, growth opportunity, financial growth & Employee motivation etc been main constituents as key to Business success. Thus, in the current business scenario Industrial growth journey reached a level where Industry accepted that managing Human capital is as costly & critical for Business success as decision and process of Capital investment and need great care in handling as it has a direct impact on the employee performance, which ultimately affects organizational performance.

### **Talent Management Best Practices**

Considering current business challenges at the global level, Talent management has become very critical & costly function for almost all the ambitious Organizations and accordingly they have included Talent management in key priority strategic decisions and included HR leaders as the team member of Business Strategic Group of the Organization.

As most of the Talent Management Strategies focus on balancing Organizational talent needs and need for the engaged, satisfied and motivated lot of desired talent pool, following Talent management strategies can be universally applicable :

- Recruitment & Induction Practices
- Supportive Top Management Team
- Talent Evaluation & Succession Planning Practices
- Performance Management Practices
- Compensation & Benefit Practices
- Organisational Leadership Development Culture
- Role-based customized Leadership Development practices
- Talent management ROI analysis Practices

### **CONCLUSIONS**

Over the years due to changed business scenario globally, Talent management has evolved as the key business strategic decision & functions as it has been proved that it is the satisfied, engaged, motivated talent pool which directly impacts Organizational performance.

Talent management includes activities/initiatives to Attracting, Inducting, Deploying, Developing, Assessing, Engaging, Satisfying, Motivating existing and new talent pool.

Out of the key talent management strategies Employee Engagement plays a vital role in ensuring the desired talent at any time & continuous flow of talent focusing on their performance aligned to organizational goals.

All ambitious organizations across the world have made sustained efforts to develop vibrant HR department to ensure a vibrant organization armed with engaged, satisfied & motivated Talent rich with desired technical and behavioral competencies, apt attitude and potential for development & career growth.

As employee performance directly impacts organizational performance; Talent management is considered as the costly & critical investment as Capital investment for any organization.

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